

BILL SUMMARY
1st Session of the 55th Legislature

Bill No.:	SB 83
Version:	ENGR
Request Number:	NA
Author:	Rep. Sears
Date:	3/31/2015
Impact:	Incentive Limitation Of Ten Years if Granted On or After Effective Date

**No Initial Credit Granted
On or After 1.1.2020
(Unless Reauthorized)**

Research Analysis

Engrossed SB83 modifies the terms of the home office tax credit provided to a qualifying insurer. For new home offices established after the effective date of the act, the measure limits the number of the years that the credit may be claimed to 10 years. The measure also sunsets the credit on January 1, 2020 for new participants unless the credit is reauthorized by the Legislature. However, those currently eligible for and approved for the credit will remain unaffected.

Prepared By: Quyen Do

Fiscal Analysis

The measure modifies the home office tax credit granted to qualifying insurance companies by:

- If granted prior to the effective date the credit is subject to the law in effect at the time the credit was granted
- If granted on or after the effective date the credit is allowed for ten years after initial granting
- No initial granting of a credit will be granted on or after January 1, 2020

Home office credits taken in FY-14 totaled \$18,831,786. The provisions of the measure will, over a period of years, result in a limitation on new credits granted. The potential impact to insurance premium tax revenue is unclear at present.

Prepared By: Mark Tygret

Other Considerations

None.

